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E.O. 12958: DECL: 06/05/2016

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SUBJECT: METI VICE MINISTER ON LDP PRESIDENTIAL RACE; METI  
PERSONNEL MOVES

Classified By: Ambassador J. Thomas Schieffer. Reason: 1.4 (b,d)

11. (C ) Summary. Vice Trade Minister Kusaka told Ambassador Michalak that Foreign Minister Taro Aso was seeking the support of METI Minister Toshihiro Nikai in the LDP presidential race. Internal Affairs and Communications Minister Heizo Takenaka was also looking to increase his waning influence in the twilight of the Koizumi administration by cultivating ties with Nikai. Meanwhile, Kusaka speculated that Trade Policy Bureau Director General Toshiaki Kitamura would likely succeed him and that Economic & Industrial Policy Bureau Director General Takao Kitabata would replace Administrative Vice Minister Hideji Sugiyama this July. End Summary.

Nikai The LDP Politician  
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12. (C) Nikai was heavily involved in maneuvering for position in the LDP presidential race, Kusaka claimed. Aso did not yet have the necessary twenty votes to become eligible for the LDP Presidential Race and was therefore seeking the support of Nikai and his faction to clear this threshold. Kusaka said that Aso hoped one of the two Mori faction candidates - Shinzo Abe or Yasuo Fukuda - would drop out of the race, leaving Aso well positioned to garner the anti-Mori faction vote as the second leading candidate. Before this could happen, however, Aso needed Nikai's support to establish the viability of his candidacy. Kusaka said that Takenaka was also strengthening his ties to Nikai because Takenaka's influence in the LDP was waning as Prime Minister Koizumi's term drew to a close. In his search for a new patron, Takenaka was reaching out to Nikai. Kusaka said Takenaka had invited Nikai to join him on a trip to Brazil later this summer, something Nikai was seriously considering.

METI Senior Personnel Gossip  
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13. (C) Kusaka said he and Administrative Vice Minister Sugiyama would leave METI sometime this July in a personnel reshuffle. He noted that Nikai had not yet approved the slate of new senior officials, but the most likely outcome would be that Economic and Industrial Policy Bureau Director General Takao Kitabata would take the Administrative Vice Minister (AVM) slot now held by Sugiyama, and Trade Policy Bureau Director General Toshiaki Kitamura would take Kusaka's position as Vice Minister for International Affairs. Kusaka thought that Commerce and Information Policy Bureau Director

General Masakazu Toyoda would replace Kitamura as head of the Trade Policy Bureau. One wild card, according to Kusaka, was the fate of Agency for Natural Resources and Energy Director General Nobuyori Kodaira. By custom, said Kusaka, if Kitabata becomes the new AVM, Kodaira ought to retire because he entered the Ministry in the same year as Kitabata - 1972. (Note: Kitamura also entered in 1972). Kusaka went on to say that Minister Nikai values Kodaira's advice on Iran and South China Sea energy issues and may want to retain him. Kusaka then noted, however, that neither of these issues is likely to be resolved soon so keeping Kodaira on temporarily may not be the best option from the perspective of METI's career officials.

SCHIEFFER